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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
08/697,421	08/23/96	MOVALLI	06555.0001-0

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FINNEGAN HENDERSON FARABOW GARRETT AND
DUNNER LLP
1300 I STREET NW
WASHINGTON DC 20005

EXAMINER
TREMBLAY, M

ART UNIT	PAPER NUMBER
2876	

DATE MAILED: 11/30/98

Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trademarks

Office Action Summary

Application No.

08/697,421

Applicant(s)

Moralli et al.

Examiner

M. Tremblay

Group Art Unit

2876

—The MAILING DATE of this communication appears on the cover sheet beneath the correspondence address—

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, such period shall, by default, expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).

Status

☒ Responsive to communication(s) filed on _____.

☐ This action is FINAL.

☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

Disposition of Claims

☒ Claim(s) 1-31 is/are pending in the application.

Of the above claim(s) _____ is/are withdrawn from consideration.

☐ Claim(s) _____ is/are allowed.

☒ Claim(s) 1-31 is/are rejected.

☐ Claim(s) _____ is/are objected to.

☐ Claim(s) _____ are subject to restriction or election requirement.

Application Papers

- ☐ See the attached Notice of Draftsperson's Patent Drawing Review, PTO-948.
- ☐ The proposed drawing correction, filed on _____ is ☐ approved ☐ disapproved.
- ☐ The drawing(s) filed on _____ is/are objected to by the Examiner.
- ☐ The specification is objected to by the Examiner.
- ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. § 119 (a)-(d)

- ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).
 - ☐ All ☐ Some* ☐ None of the CERTIFIED copies of the priority documents have been received.
 - ☐ received in Application No. (Series Code/Serial Number) _____.
 - ☐ received in this national stage application from the International Bureau (PCT Rule 1.7.2(a)).

*Certified copies not received: _____.

Attachment(s)

- ☒ Information Disclosure Statement(s), PTO-1449, Paper No(s). 6 ☐ Interview Summary, PTO-413
- ☒ Notice of Reference(s) Cited, PTO-892 ☐ Notice of Informal Patent Application, PTO-152
- ☐ Notice of Draftsperson's Patent Drawing Review, PTO-948 ☐ Other _____

Office Action Summary

Applicant: Movalli et al.

Filing date: 08/23/96

Part III Action on the Merits

Specification

5 The disclosure is objected to because of the following informalities: The top margins are not large enough. Unfortunately, while the case was being processed, holes were made through the specification to attach the papers to the file wrapper, and many of the words at the top were punched out. The Applicant is requested to provide a substitute specification with a larger top margin. In this case, for obvious reasons, no "marked up copy" of the substitute specification is
10 required. The Examiner regrets the inconvenience to the Applicant.

 Appropriate correction is required.

Claim Rejections - 35 USC § 103

 The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness
15 rejections set forth in this Office action:

 (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the
20 manner in which the invention was made.

 This application currently names joint inventors. In considering patentability of the claims under 35 U.S.C. 103(a), the examiner presumes that the subject matter of the various claims was commonly owned at the time any inventions covered therein were made absent any evidence to the contrary. Applicant is advised of the
25 obligation under 37 CFR 1.56 to point out the inventor and invention dates of each claim that was not commonly owned at the time a later invention was made in order for the examiner to consider the applicability of 35 U.S.C. 103(c) and potential 35 U.S.C. 102(f) or (g) prior art under 35 U.S.C. 103(a).

30 Claims 1-4 and 28, drawn to methods for generating transactions, and claims 24-27, drawn to a system for generating secure endorsed transactions, are rejected under 35 U.S.C. § 103 as being unpatentable over Donald W. Davies "Use of the 'Signature Token' to Create a

Negotiable Document ("Davies" hereinafter) in view of "Electronic Wallet" by Even et al. ("Even" hereinafter). Davies discloses a method of generating secure endorsed transactions (see description on page 378 under the heading "The Signature Token", e.g. the description of debit cards, credit transactions, etc.) comprised of transaction data (see figure 1, items 9-14) representative of transactions and unique identifiers (see figure 1, items 5, 13, and implicitly 16) corresponding to parties endorsing the transaction, the method comprising the steps, performed by a data processing system (page 378, under the heading "The Signature Token", e.g. the description of a smart card which has a "microprocessor"), of:

receiving transaction data (9, 10, 11, 12, 14, and 15) and unique identifiers (5, 13); and generating unique codes 16 from the transaction data and unique identifiers, wherein the unique codes constitute a secure endorsement of the transaction data by the party corresponding to the unique identifier 5. Davies does not explicitly disclose that the exact same process can be used to generate a receipt for the Customer, signed by the Beneficiary. To fulfill this common business need, all that is required is for the Customer to ask for a receipt of the check. Where the customer filled in items 10 and 11 as, for example, a cash payment for \$100, the Beneficiary would designate item 10 as a "receipt" transaction, which would be understood by convention to mean that the document is merely proof that payment has been made. The analogy to paper is exact. If a person A gives person B a piece of paper (Form A) signifying payment, person B can return a piece of paper (Form B) which indicates on its face that it is a proof of receipt of the first piece of paper (Form A). Or, both parties can sign a combined Form A and Form B, with each keeping copies (typical in a deed of property, see the top of page 378, item 3, of Davies). Davies seems to rely on the "interest" of the parties, e.g. that the beneficiary would have no interest in questioning the validity of the transaction, and therefore the need for a Customer receipt is not addressed. Many other business parties have found the need for such receipts. Even teaches an electronic system using a similar public key system to effect secure endorsed transactions wherein both the paid party and paying party have proof of the transaction (see the section titled "Specification", items S4 and S5). It would have been obvious at the time the invention was made to a person having ordinary skill in the art to provide for a secure transaction as taught by Davies wherein the secure document has unique codes which constitute the endorsement of both the

Beneficiary and the Customer because this allows for both the paid party and paying party have proof of the transaction in case there is a dispute (e.g. the Beneficiary loses the document, and claims no payment was ever made, and seeks to punish the Customer). This could be accomplished merely by having the Beneficiary sign the fields 9-16 or even 1-16 (Fig. 1 of Davies) and append this to the document as item 17, or in other obvious ways involving a Beneficiary signature.

Re claim 25, Official Notice is taken that a card insertion sensor is notoriously old and well known in the art. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to use a card insertion sensor in a smart card system according to Davies and Even so that when a card is inserted into the device, the transaction can begin automatically, making the user's task easier, and speeding the transaction.

Re claim 28, the method is apparent from Even's teachings of the wallets storage of an audit trail.

Claims 5-23 and 29-31 are rejected under 35 U.S.C. § 103 as being unpatentable over Davies in view of U.S. Patent #4,825,050 to Griffith et al. ("Griffith" hereinafter) and further in view of U.S. Patent #5,689,565 to Spies ("Spies" hereinafter). Davies and Even disclose the features of the invention as described above, but do not teach that a "human identifier", e.g. a biometric, can be used with such an encryption scheme to further enhance security. Griffith teaches that " Multiple inputs are accepted in the following manner: The individual information record 101 which is the data to be 'locked'; the individual identifier 100 which may be some characteristic of the individual e.g. finger, voice, or retinal pattern, signature, or chemical structure or some information known only to the individual, e.g. a combination, pass word or phrase; a private key 110 which is known only to the issuing entity and which is generated by any method 109 meeting the criteria for public key crypto systems outlined by W. Diffie and M.E. Hellman in their article cited above such as the system publicly disclosed by Rivest, Shamir, and Adleman ob cit; and optionally other data 113 which is necessary or convenient to include regarding the application made of the present method. " Thus, Griffith teaches that the public/private key method can be used with a "human identifier" to thwart fraud. It would have

been obvious at the time the invention was made to a person having ordinary skill in the art to include a "human identifier" as narrowly construed to identify the Customer and Beneficiary in combined Davies and Even teachings as taught by Griffith because this would make it more difficult for a thief to use a stolen electronic wallet or smart card, as taught by Griffith. The combined teachings do not explicitly teach a network implementation or a need for a receipt, as mentioned above. A network implementation for a system like this is common. Spies provides an example of a networked system used for an application similar to the combined teachings of Davies, Even and Griffith. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to use a method according to the combined teachings of Davies and Griffith in a networked environment taught by Spies, because networked environments allow for the greater flexibility in performing transactions, as was commonly and well understood in the art.

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

U. S. Patent #5,557,518 to Rosen is cited for showing another example of a networked system which conducts secure endorsed transactions using a public key crypto system. Rosen is considered by the Examiner to bridge all of the elements of the claims. However, due to the simple nature of the claimed subject matter, the earlier and more basic teachings applied above were considered the most appropriate.

Internet


PTO maintains an extensive web site at <http://www.uspto.gov>. Communications about this application via e-mail, other than those under 35 U.S.C. 132 or which otherwise require a signature, may be addressed to **mark.tremblay@uspto.gov**. All Internet e-mail communications will be recorded in the application. PTO employees don't use the Internet to exchange sensitive information unless the record includes a properly signed express waiver of the confidentiality requirements of 35 U.S.C. 122. For more details, see the Interim Internet Usage Policy published in the Official Gazette of the Patent and Trademark on February 25, 1997 at 1195 OG 89.


Voice

General inquiries or status inquiries about this application should be directed to the Group 2800 Receptionist at (703) 308-0956. Inquiries for the Examiner should be directed to Mark Tremblay at (703) 305-5176. The Examiner's regular office hours are 8:30 am to 6:00 pm EST Monday to Friday. Voice mail is available. If Applicant has trouble contacting the Examiner, the Supervisory Patent Examiner, Don Hajec, can be reached on (703) 308-4075. Technical questions and comments concerning PTO procedures may be directed to the Patent Assistance Center hotline at 1-800-786-9199 or (703) 308-4357.

Fax Procedures

Application papers may faxed to Art Unit 2876 at (703) 308-7724. Faxes must conform with the notice published in the Official Gazette, 1096 OG 30 (November 15, 1989). Papers solely for the examiner's consideration, and not intended for immediate entry into the application (e.g., a proposed amendment) should be unsigned and clearly marked "Draft Copy" and/or "Deliver Directly to Examiner."

MT 
November 22, 1998


Donald Hajec
Supervisory Patent Examiner
Technology Center 2800